



The **DANNON PLEDGE** *on sustainable agriculture, naturalness and transparency*

An Update on Progress to Date for 2018
Updated December 2017





www.DannonPledge.com
2018 Update

THE PLEDGE BEGAN WITH YOU AS OUR MAIN INGREDIENT.

What's important to you drives what we do. So we're providing you with an update about the multi-year plan to change how we make our yogurt to give you more choices about your food. In 2016, we made our commitment, and now with more than a year of work under our lid, we wanted to provide an update on our progress.



We're now offering products that are Non-GMO Project Verified - with more still to come.

From the fruit on the bottom to the granola on top, we're committing to offering Non-GMO Project Verified options among our flagship brands. We're also working with our farmer partners to remove GMOs from their cows' feed. It'll all happen over time, and the work continues. Dannon products that are Non-GMO Project Verified are now available. Danimals Smoothies, comprising a vast majority of the Danimals brand family, and most of the Dannon brand family are Non-GMO Project Verified, which means the products will be made with milk from cows fed non-GMO feed. The rest of the products from the Dannon brand family and our Oikos Triple Zero products will follow by the end of 2018. We continue to advance projects to transition additional products.

If it has GMO ingredients, we let you know.

Whatever your stance on GMOs, we think you have



the right to know if they're included. And then you can make your own choices. Since the end of 2016 we have initiated labeling of GMO ingredients in our products with clear, transparent language.



We're using fewer ingredients, which are non-artificial.

For some of our flagship products, we've been using ingredients, such as sugars and starches that are non-artificial. The new

ingredients are now in the cup for most Dannon branded products, with the other products within the Dannon brand family to follow. Our Oikos Triple Zero products will be made with the new recipes by the end of 2018. We continue to advance projects to transition additional products.



We're getting most of our milk directly from farms we know.

When we get our milk straight from our farmer partners, we can know

exactly how they operate. We know that as certified responsible producers they treat their cows well and we know what they're feeding them. And we can work together with them on environmental issues like soil health, water usage, biodiversity and carbon.

*Find out more information at www.dannon.com/ingredients



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DANNON'S MISSION *is to bring health through food to as many people as possible. Our ambition is to foster healthier eating practices that are reflective of local cultures and agricultural systems, in balance with nature's ecosystem and that sustains the ability to produce food for many generations to come.*



WE HAVE ALWAYS BELIEVED...

...and still do that the way we make food must incorporate social, environmental and economic priorities into a single approach guided by a compass with one point for each of four priorities:



Because our operations are part of a larger ecosystem that includes our company, our customers, our suppliers and farmer partners, as well as institutions and the broader community wherever we do business, we owe a large measure of our success and competitive edge to the health of this ecosystem and the quality of the relationships among its members. While the current agricultural systems in the US rely almost exclusively on economies of scale and short-term efficiencies, we are striving for a better approach for the supply of our products so key issues like farmers' independence, natural biodiversity, soil health and carbon sequestration, water usage and fossil energy efficiency are better addressed. We are committed to using novel ways of working that allow us to be better stewards of our

environment and the food we produce. We will continue to monitor and study the evolution of best practices in sustainable agriculture.

Additionally, we are continuing to adapt our sourcing to enable us to fulfill the growing consumer interest for greater transparency and simplicity about food, its origin and the use of fewer ingredients, which are non-artificial.

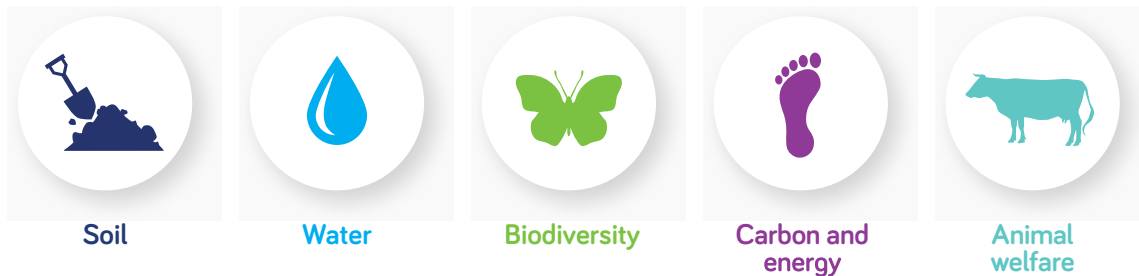
In this way, we are expanding the options available to our consumers for products from several flagship brands in our portfolio. Our ambition is to evolve the remaining brands in our portfolio over time.

¹ Danone White Paper. *Our Food Chain Vision*. 2015.

WE PLEDGE

Sustainable agriculture

Focusing specifically on our commitment to preserve the environment, we believe that sustainable agriculture must constantly strive to conserve natural resources and maintain the delicate balance in the ecosystems and natural cycles on which it depends. Our key priorities include:



To gain greater transparency about our main ingredient, we now source all the milk we use directly from farms we know, becoming the first of the leading yogurt makers to embrace this practice. Consequently this can provide greater visibility to our consumers about the agricultural practices employed on the dairy farms.

We are already very far along in implementing animal welfare practices at our farmer partners' operations via the Validus Certification system. As of today, more than 90% of the milk we source directly from farmers comes from farms that are Validus Certified for animal welfare.

This innovative and transparent way of sourcing our milk and these close partnerships with our farmer partners enable us to move toward new sustainable agricultural ambitions. For our entire product offering, we have started and will continue to work with our farmer partners to improve biodiversity, soil health and water usage and quality by encouraging such practices as rotating crops, managing fertilizer, pesticide and herbicide application, etc, in the production of feed for the cows providing our milk supply.



WE PLEDGE

Sustainable agriculture | CONTINUED

As part of our climate policy, we are also focused on the role that soil can play in fixing carbon. Specifically, according to the US Department of Agriculture:² “[T]here is a major potential for increasing soil carbon through restoration of degraded soils and widespread adoption of soil conservation practices.”

To improve sustainable agricultural practices and protect biodiversity, we will work with our farmer partners to reach for better soil health, water quality and quantity, an increase in biodiversity and decrease in carbon emission and energy use.

We will progressively reduce the use of practices and technology that lead to soil degradation, some of which may have been linked to the extensive use of monocropping and an extensive reliance on the use of GMO crops at the expense of integrated agricultural management of the land.



² More specifically as to soils, the US Department of Agriculture answers the question, “What is soil carbon sequestration?” “Atmospheric concentrations of carbon dioxide can be lowered either by reducing emissions or by taking carbon dioxide out of the atmosphere and storing in terrestrial, oceanic, or freshwater aquatic ecosystems. A sink is defined as a process or an activity that removes greenhouse gas from the atmosphere. The long-term conversion of grassland and forestland to cropland (and grazing lands) has resulted in historic losses of soil carbon worldwide but there is a major potential for increasing soil carbon through restoration of degraded soils and widespread adoption of soil conservation practices.”



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WE PLEDGE

Naturality

To provide consumers a choice of more natural products, we are evolving products from our three flagship brands Dannon, Oikos and Danimals toward Non-GMO Project Verification and the use of fewer ingredients, which are non-artificial.

This change will enable consumers to make everyday choices for themselves, their family and children consistent with their wish for pleasurable, natural and sustainable eating options, choosing which agricultural and environmental model they favor through their everyday choice of consumption and usage.

These flagship products have been chosen based on the broadest family appeal, including children. For these products we will not use any artificial colors or artificial flavors. Starting in July 2016, we began the

process of obtaining verification from the Non-GMO Project, which includes cows' feed, as well as sugars, starches and other ingredients.

Because most cow feed in the US is genetically modified today, we are also working with feed suppliers and our farmer partners to start planting non-GMO feed as soon as possible to fulfill our needs. Once these changes are implemented, these products from the three brand families will contain milk from cows provided non-GMO feed as required by the Non-GMO Project.

We will evolve the ingredients and the conversion of cow feed for these flagship products according the following timing:

- Danimals Smoothies, comprising a vast majority of the Danimals brand family has received Non-GMO Project Verification. Most Dannon branded products will have evolved in 2017, with the other products within the Dannon brand portfolio to follow.
- Our Oikos Triple Zero products will start transitioning by the end of 2018.
- We continue to advance projects to transition additional products.





To achieve this goal we are working with our dairy farmer and cooperative partners, their feed suppliers and other ingredient suppliers as well as academic partners to collectively help guide our actions to improve sustainable agricultural practices.

WE PLEDGE

Transparency

To further provide transparency about all our products, we declared by December 2016 nationwide, on label the presence of GMO ingredients in our products, regardless of whatever actions are taken by the federal government.

In the meantime, if one state implements a GMO labeling requirement, since we favor a nationwide labeling system, we will label the presence of GMOs nationwide according to the state requirements.



Dannon is a subsidiary of Danone, and Danone is the top-selling brand of yogurt worldwide, sold under the names Dannon and Danone. For more information, visit dannon.com